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STATE OF NEW YORK  
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Date: \_\_\_\_\_

TO: \_\_\_\_\_

This is to notify you that this Office has adjusted your taxable gross, Social Security, and Medicare wages for the calendar year \_\_\_\_\_. These wages were reduced by \$\_\_\_\_\_, which is the amount of the Workers' Compensation award credited to NYS for wages previously paid to you by the State for the period \_\_\_\_\_ - \_\_\_\_\_.

Your Workers' Compensation award is exempt from Social Security and Medicare taxes. Accordingly, you will receive a refund of the Social Security and Medicare taxes previously withheld on your earnings, based on the award amount. Your refund of \$\_\_\_\_\_, is equal to your Workers' Compensation award multiplied by 7.65 %. It will be processed in a separate check or direct deposit advice dated \_\_\_\_\_.

The Workers' Compensation award is also exempt from federal, State, and local taxes. However, this Office does not process refunds of these taxes. Rather, your tax liability for calendar year \_\_\_\_\_ will be reduced, since your W-2 form will reflect a reduction in your taxable gross wages to be reported on your Federal and State tax returns.

Please contact your agency payroll office with any questions on these wages adjustment and refund procedures.